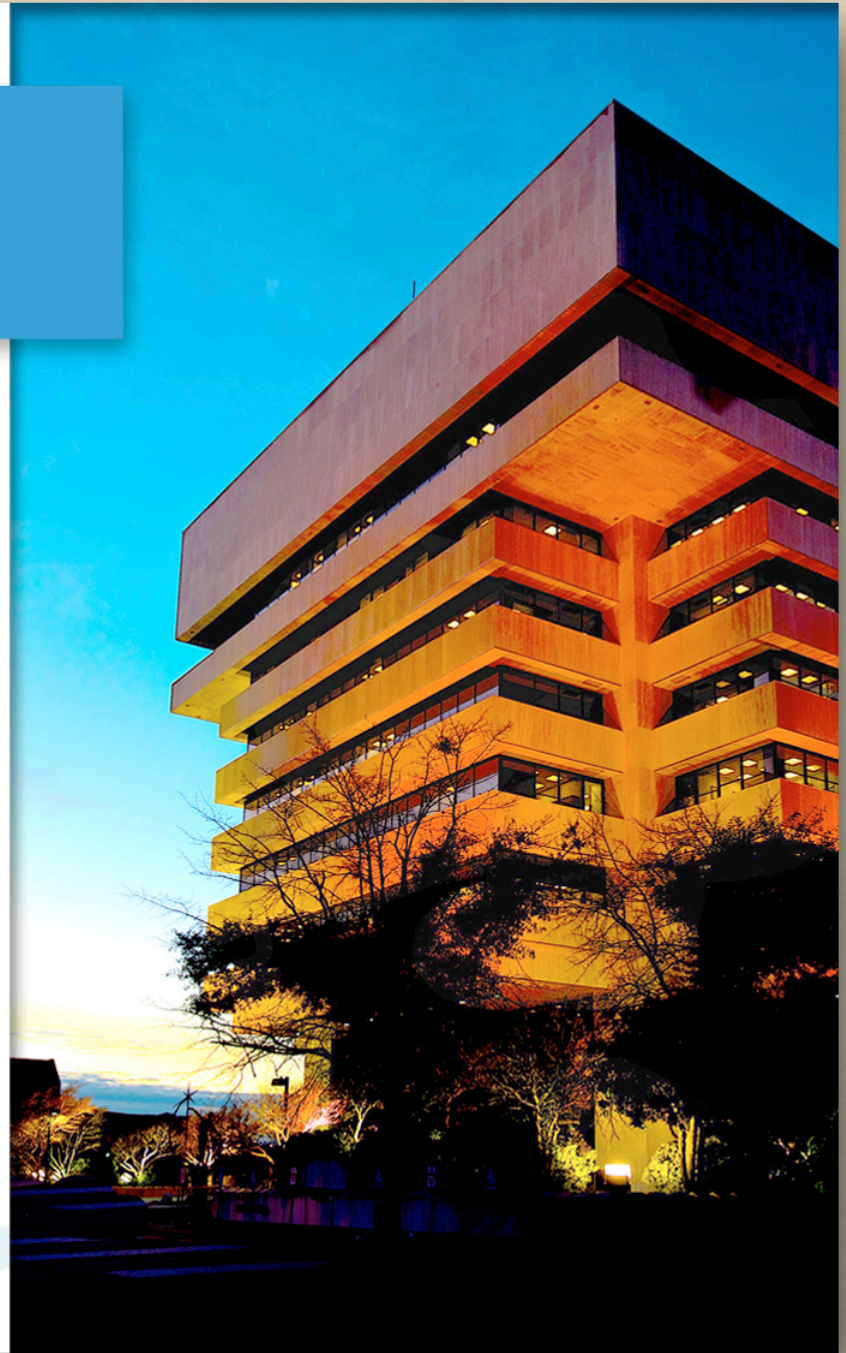


HAMPTON VA


I VALUE

**Citizen input
on capital projects**


Feb. 28, 2017



Agenda

- Capital (one-time) spending vs. annual (recurring)
 - Where money comes from
 - 5-year “maintenance” plan
 - Polling on strategic projects
 - Questions
 - Next steps
- 
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One-time vs. recurring

- Comes in once, not annually (savings, inheritance, grant)
 - Once you use the money, it's gone
- 

City policies | Where we stand

- General Obligation debt
 - No more than 3% of assessed value of real estate | 2.3%
- Overlapping debt
 - No more than 1% of total assessed value | 0.86%
- Total direct/indirect/overlapping debt
 - No more than 4.5% of total assessed value | 3.6%
- Debt service
 - No more than 10% of total city & schools expenditures | 8.4%
- Payoff timing
 - 60% of outstanding debt be paid within 10 years | 78.9%
- AA+ bond rating

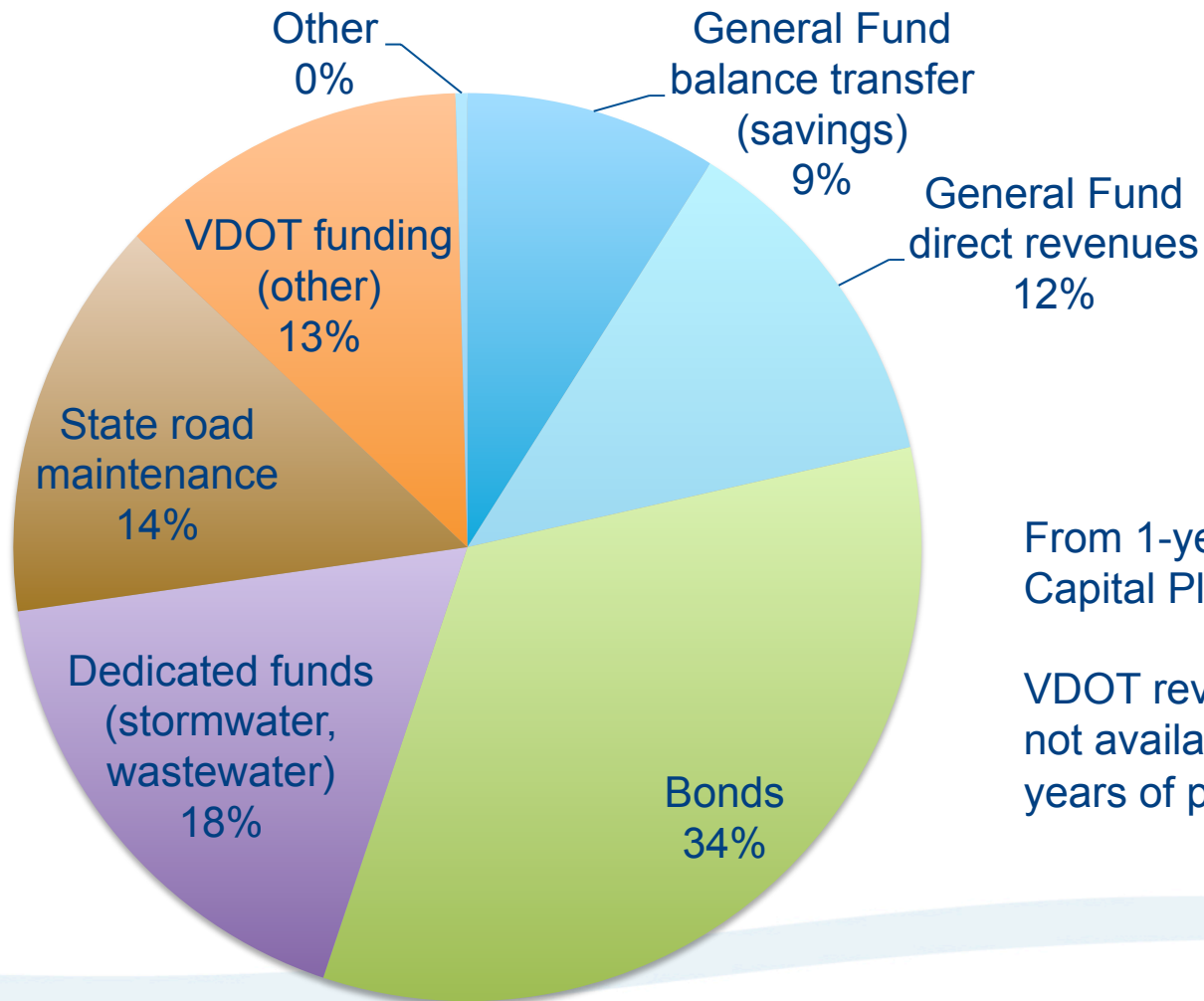
Strategic Priorities

- Economic growth
 - Place making
 - Living with water
 - Educated & engaged citizenry
 - Safe & clean community
 - Good government
 - Family resilience & economic empowerment
- 

Where the \$\$ comes from

- We budget for certain amount
- We borrow for major projects (fire stations, schools, projects with a lifespan of 20 years+)
- State pays for road resurfacing
- VDOT pays portion of new roads
- Dedicated fees cover some projects (wastewater, stormwater, trash equipment)

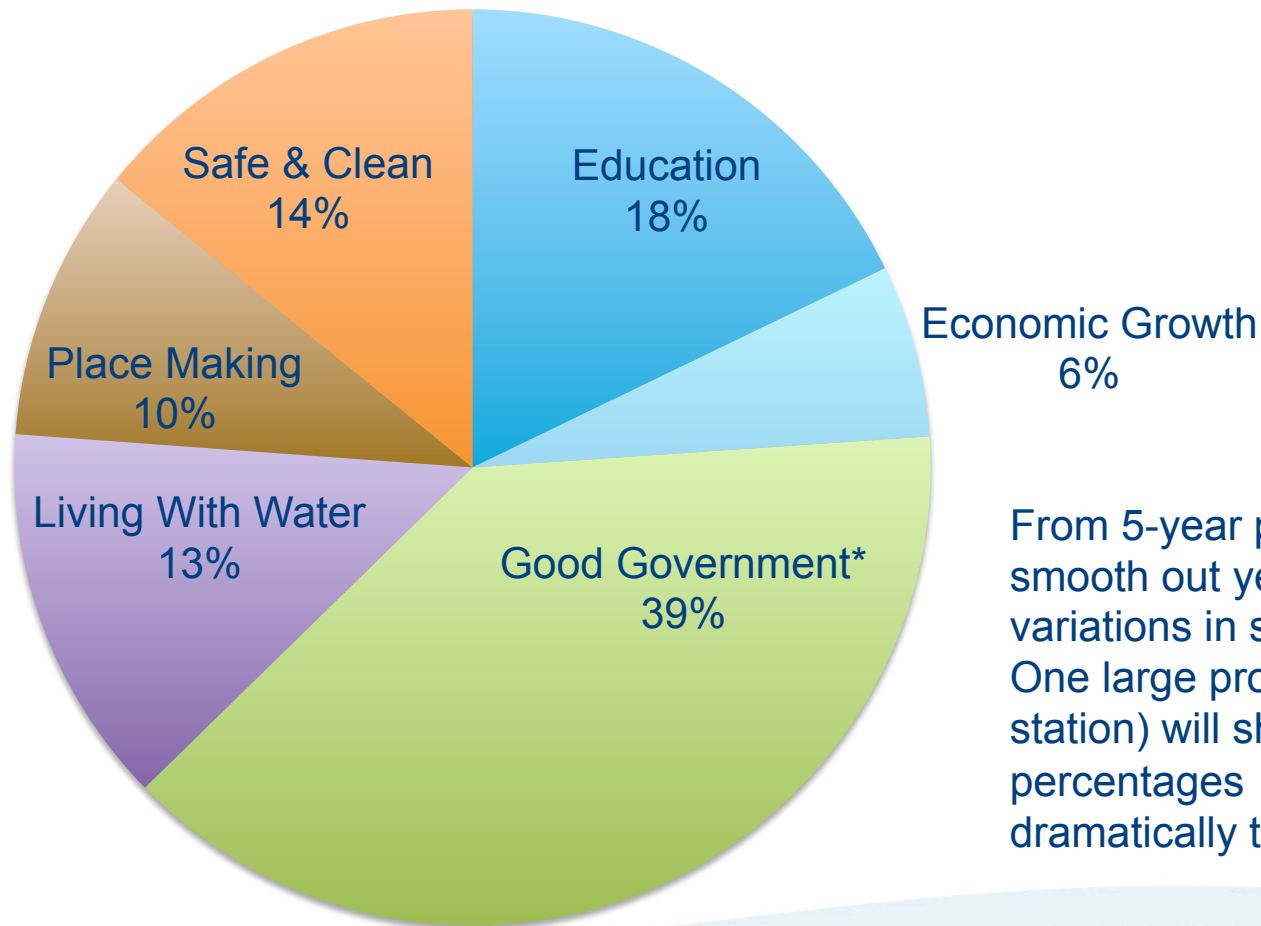
Where the \$\$ comes from



From 1-year FY17
Capital Plan

VDOT revenues usually
not available for all 5
years of plan

Where the \$\$ typically goes




From 5-year plan to smooth out year-to-year variations in spending. One large project (fire station) will shift the percentages dramatically that year.

Potential allocations for FY18-22

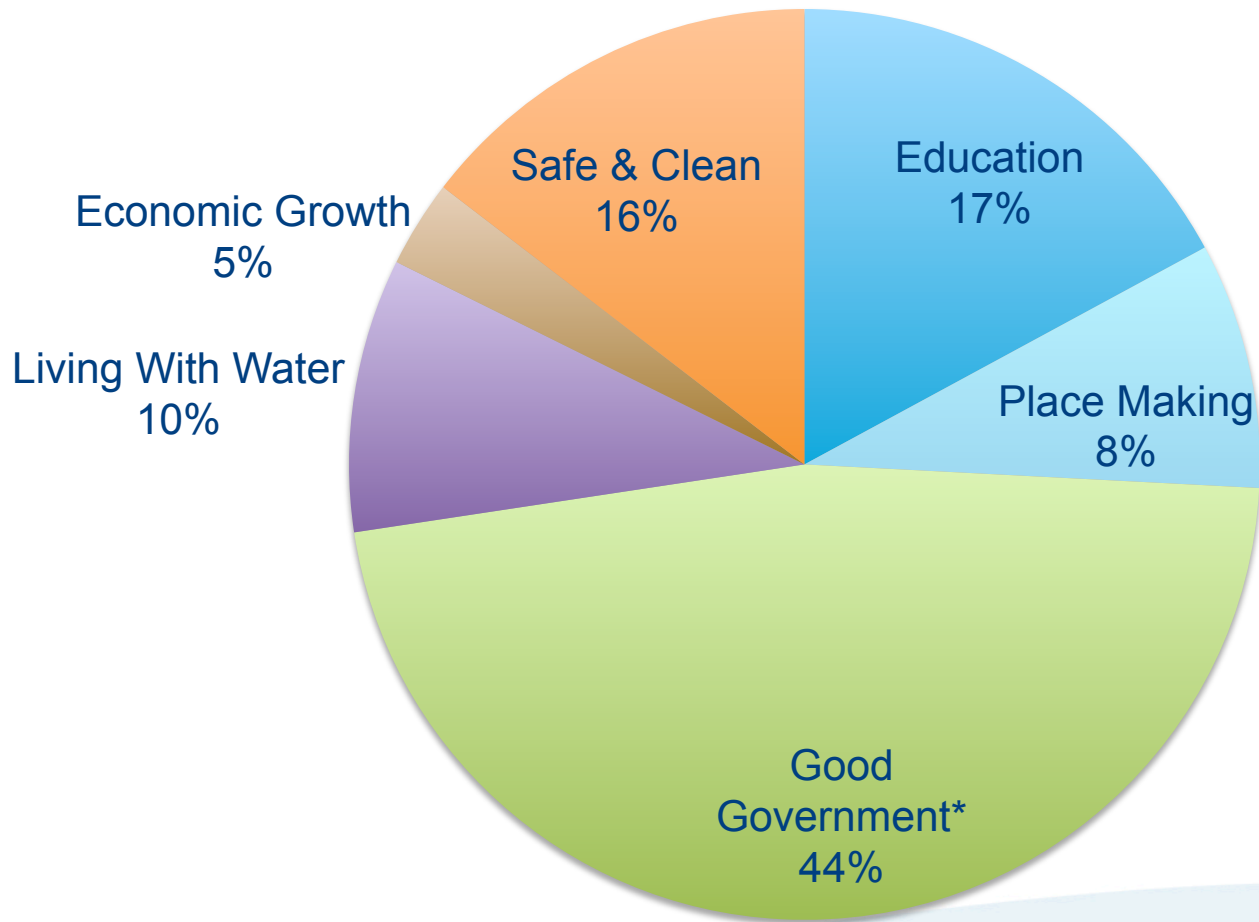
Projects in current drafts of proposed Capital Plan



First 4 years planned

- Additions for 5th year of plan
 - Adjusting timing of projects
 - Changes, new projects
- 

Proposed allocation: FY18-22



Good Government: 44%


- Street resurfacing: \$32.3M
- Wastewater infrastructure rehab: \$37M
- Building maintenance: \$13M
- Technology: \$500K
- *Road salt storage facility: \$1.2M
- Traffic signal retiming: \$1M
- *Little Back River Road reconstruction: \$9.2M

* New projects

Little Back River Road

- Project is part of North King Street Master Plan: Reduce traffic, enhance safety and add amenities
- Widens little Back River Road to just past Clemwood Parkway with reversible alternating center lane to reduce peak traffic.
- Adds multi-use path, sidewalk, lighting
- Restricted VDOT funding

Education: 17%

- School maintenance projects: \$11.9M
 - School investment projects: \$14.5M
 - School one-to-one technology: \$10M
 - TNCC campus improvements: \$850K
- 

Living With Water: 10%

- Most are stormwater and wastewater improvements to meet mandates

(Questions? For full list meet with Public Works in rear of room after polling)

- Salt Ponds dredging & inlet: \$3.7M
 - Indian Creek flooding: \$1.4M
- 

Safe & Clean: 16%

- 911/Emergency Ops Center: \$12.5M
 - Blighted property acquisition: \$1.2M
 - Jail improvements: \$600K
 - Commercial blight abatement: \$3.4M
 - Radio system upgrade lease: \$7M
 - Fire equipment: \$700K
 - Wythe Fire Station: \$7M
- 

Place Making: 8%

- Landscaping: \$500K
- Community sailing center: \$400K
- Bus stop improvements: \$90K
- Streetscaping: \$1.5M

N. King Street, Pembroke Ave. projects

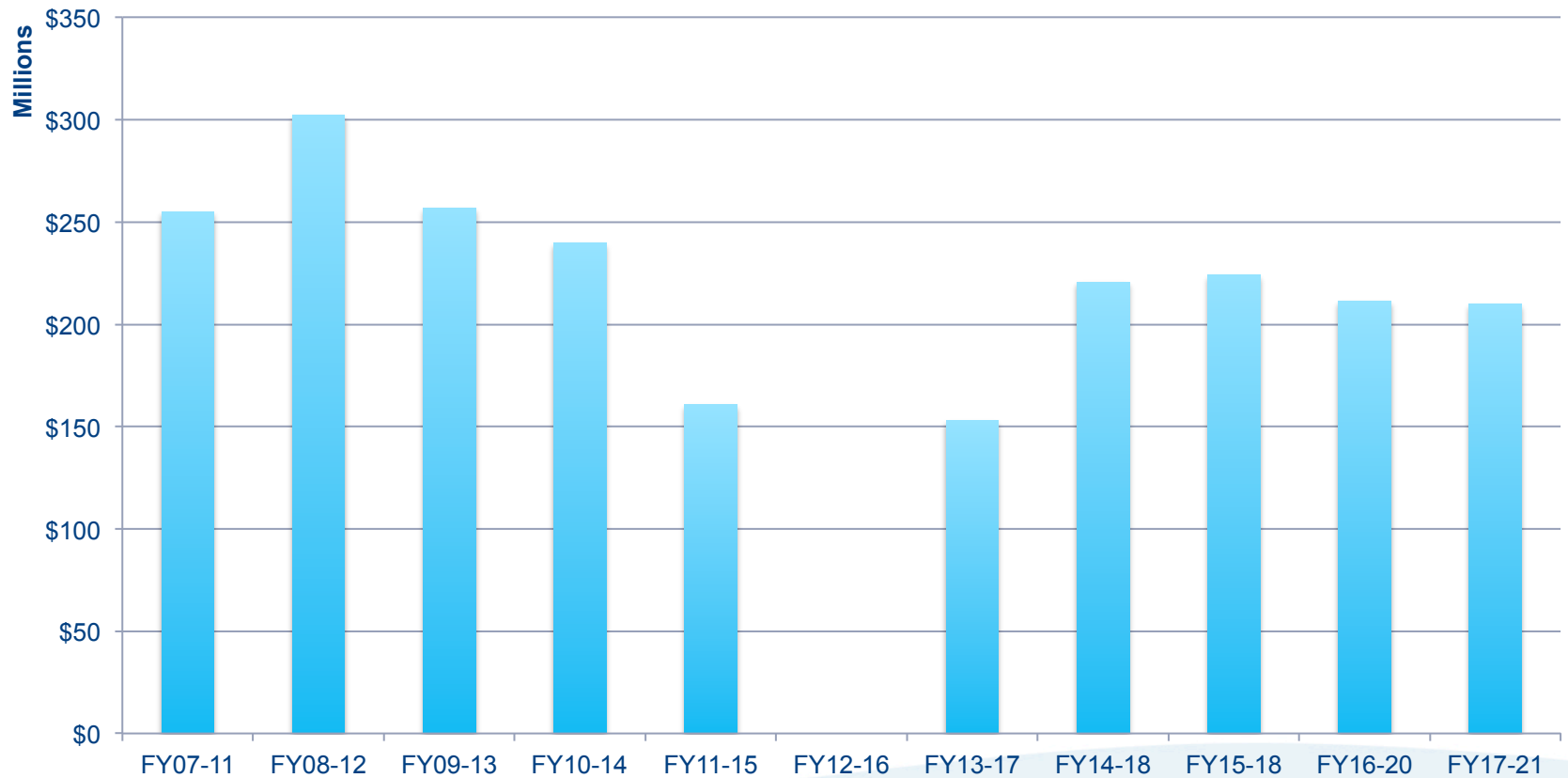
- Park maintenance: \$13M

Economic Growth: 5%

- Commerce Drive extension: \$1.1M
- Council strategic initiatives: \$2.5M
- Coliseum Drive extension: \$2.8M
- Hampton Roads Center improvements: \$187K
- Housing Improvement Grants: \$500K
- Strategic property acquisitions: \$3.7M


Hampton's 5-year capital plans

Amount in millions



No 5-year plan in FY12

Maintenance level

- 5-year plans are averaging about 75% of pre-recession levels
 - Generally maintenance level plans – taking care of what we've got
 - In the past, we've asked you to poll on these topics, but there is little discretion left
- 

Hampton's 5-year capital plans


- Investing in economic development – jobs, retail, commercial development and redevelopment, new housing – has been one of the smallest category in the city's capital planning since the economic downturn.
- Also a time when little private investment was happening due economy.

Opportunity to invest to boost development






City's role in development

- Nearly built-out city/little vacant land
 - Development here means redevelopment
 - Wetlands limit buildable land
 - Have larger parcels to respond to commercial interest (EDA)
 - Infrastructure ready
- 

Strategic capital spending

- New spending beyond the mostly maintenance-level spending
 - Council has agreed to spend about 75% of these funds for projects designed to boost economic growth in order to help grow the tax base for future years.
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One-time \$ as catalyst for recurring

- Roads to open up inaccessible land for private development (new property taxes).
- Tourism (new annual taxes from hotel stays, shopping, dining and admissions)
- Higher-value homes (new residents paying \$5,000 in taxes per year, compared with the current mean home tax bill of less than \$2,000)
- Growth in annual revenues provides money for recurring expenses – new police officers

How much can we spend?

- No increase in annual debt payments – just taking out new bonds as old ones are paid off.
- Some portion of future growth dedicated to annual debt payments – between 0.125% and 0.250%.
- Hotel fee could be used if a tourist attraction is being funded.

How much can we spend?

Economic Development:

- \$37 million - \$70 million

Other projects:

- \$9.3 million - \$17 million